

Commercial Construction & Economic Trends

Metropolitan Washington
Council of Governments

Department of Community Planning

Cooperative Forecasting and Data Subcommittee

July 14, 2010

Regional Overview

○ 250 Commercial Construction projects



○ 15.5 million square feet



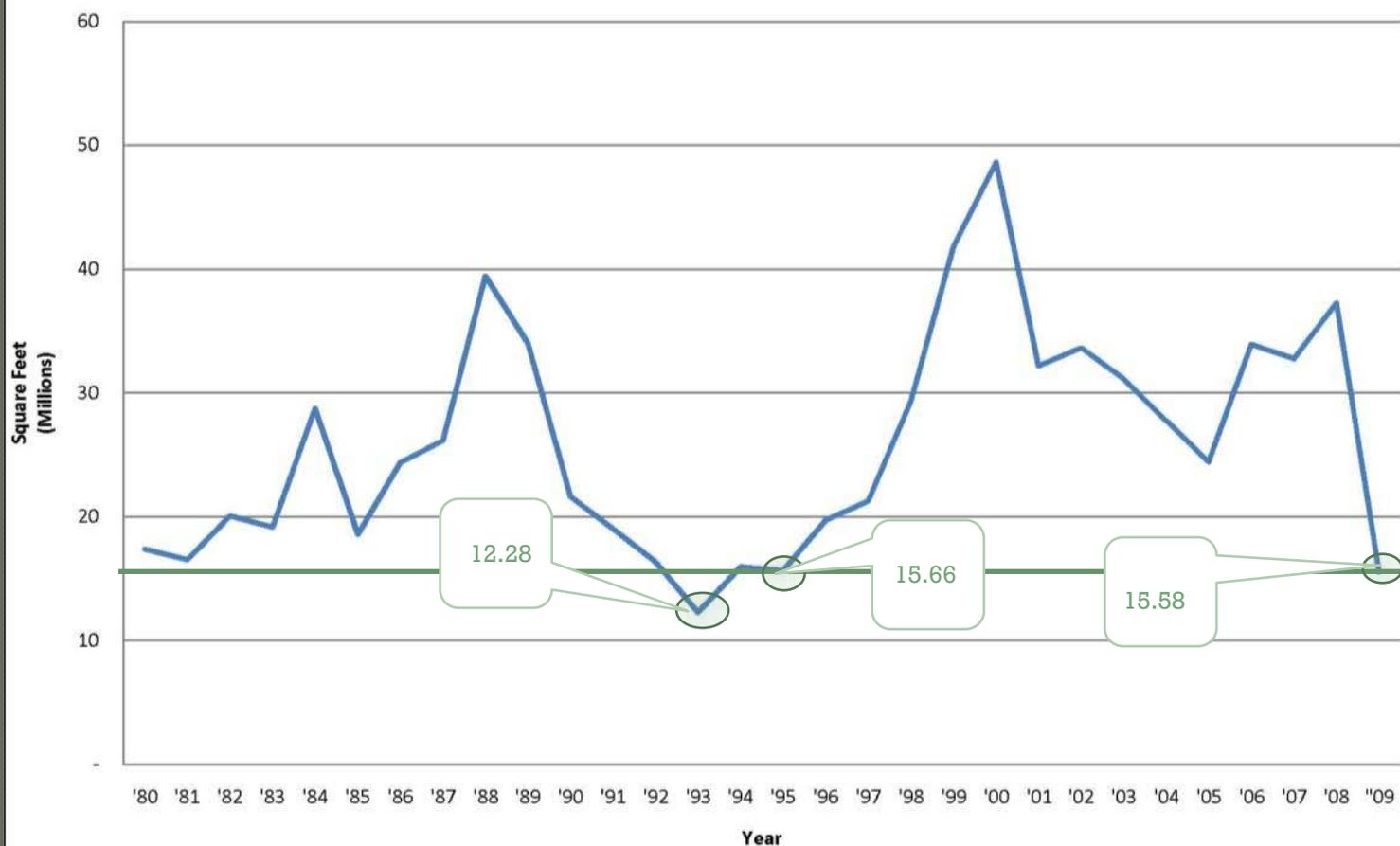
○ \$4.3 billion dollars of value



○ Second lowest amount of commercial construction since 1980

Commercial Construction Trends

Comercial Construction Starts, 1980-2009
Total Square Feet by Year



Regional Highlights



24% of all 2009 commercial construction was associated with the Department of Defense



Mixed Use projects declined by 86% of square footage from 2008



Outer suburbs captured the largest share of commercial construction by number of projects, square footage, and value

Activity Centers

2009 Activity

Center construction
comprised 39.7%
of all commercial
construction setting
a new historical low

Activity Centers

Commercial
Construction in
Activity Centers
declined by 13.4%
from 2008

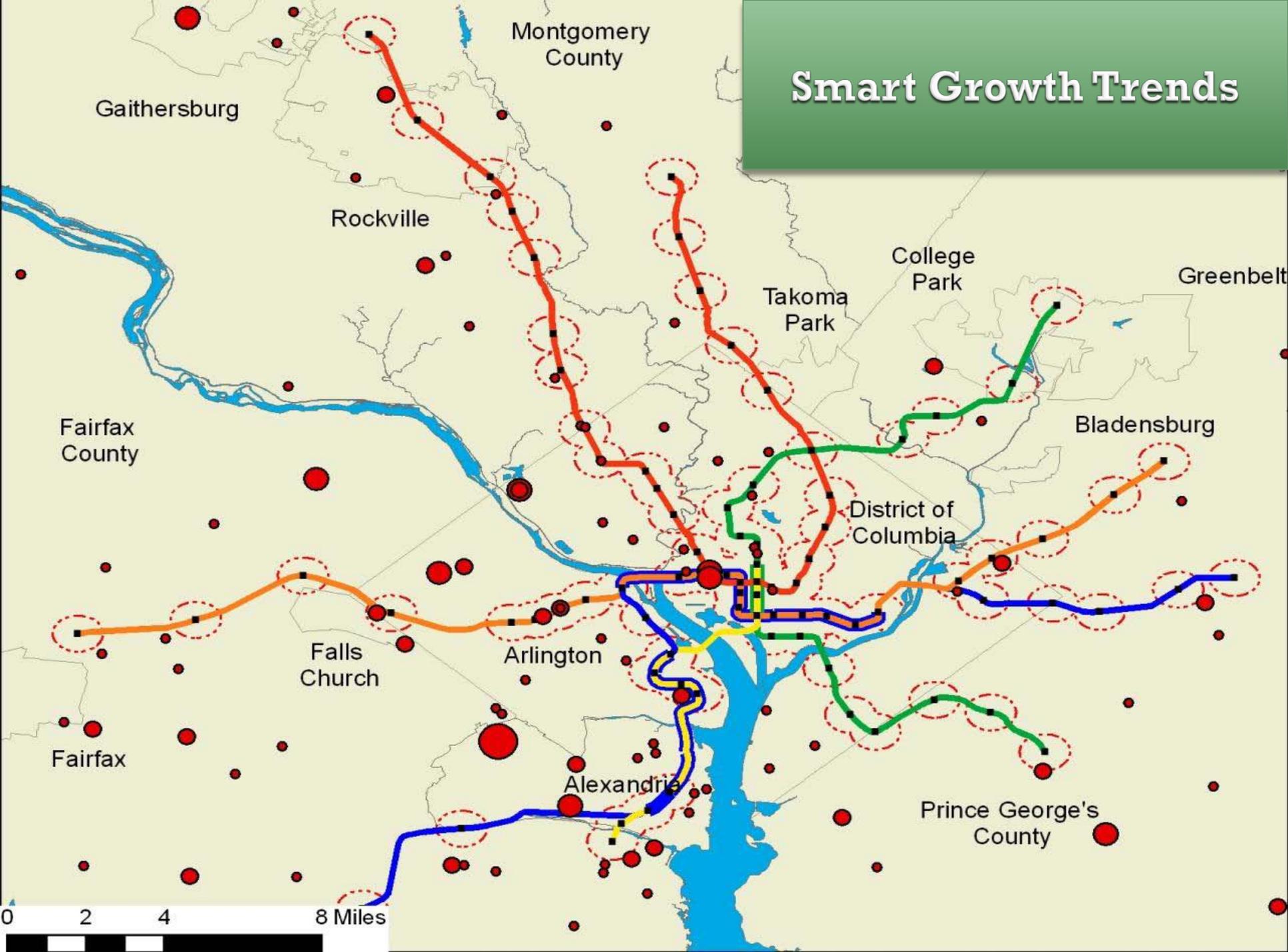
Activity Centers

Historical construction in Activity Centers

High in 2006 – 57%

Previous Low 2003 – 43%

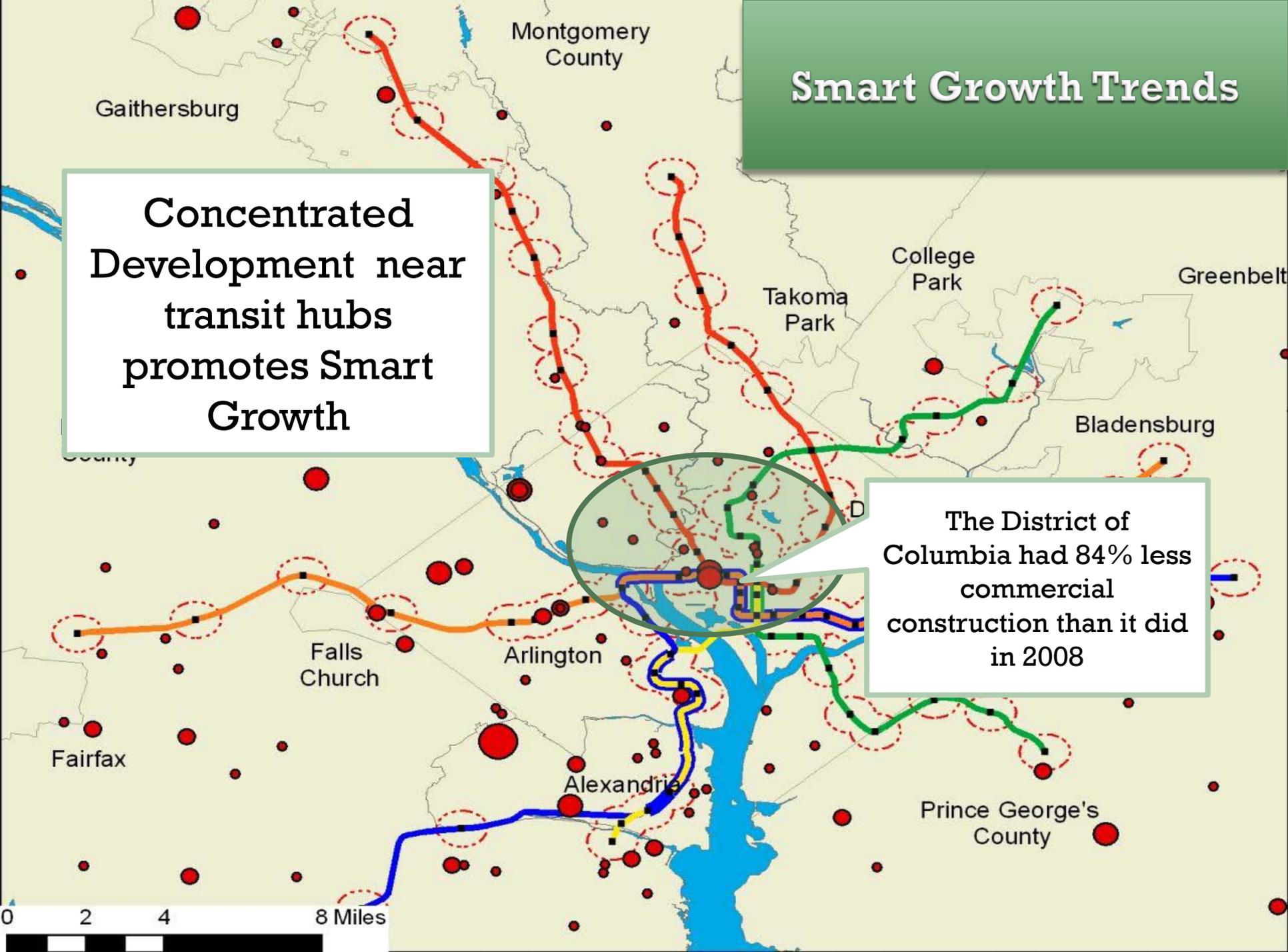
Smart Growth Trends



Smart Growth Trends

Concentrated Development near transit hubs promotes Smart Growth

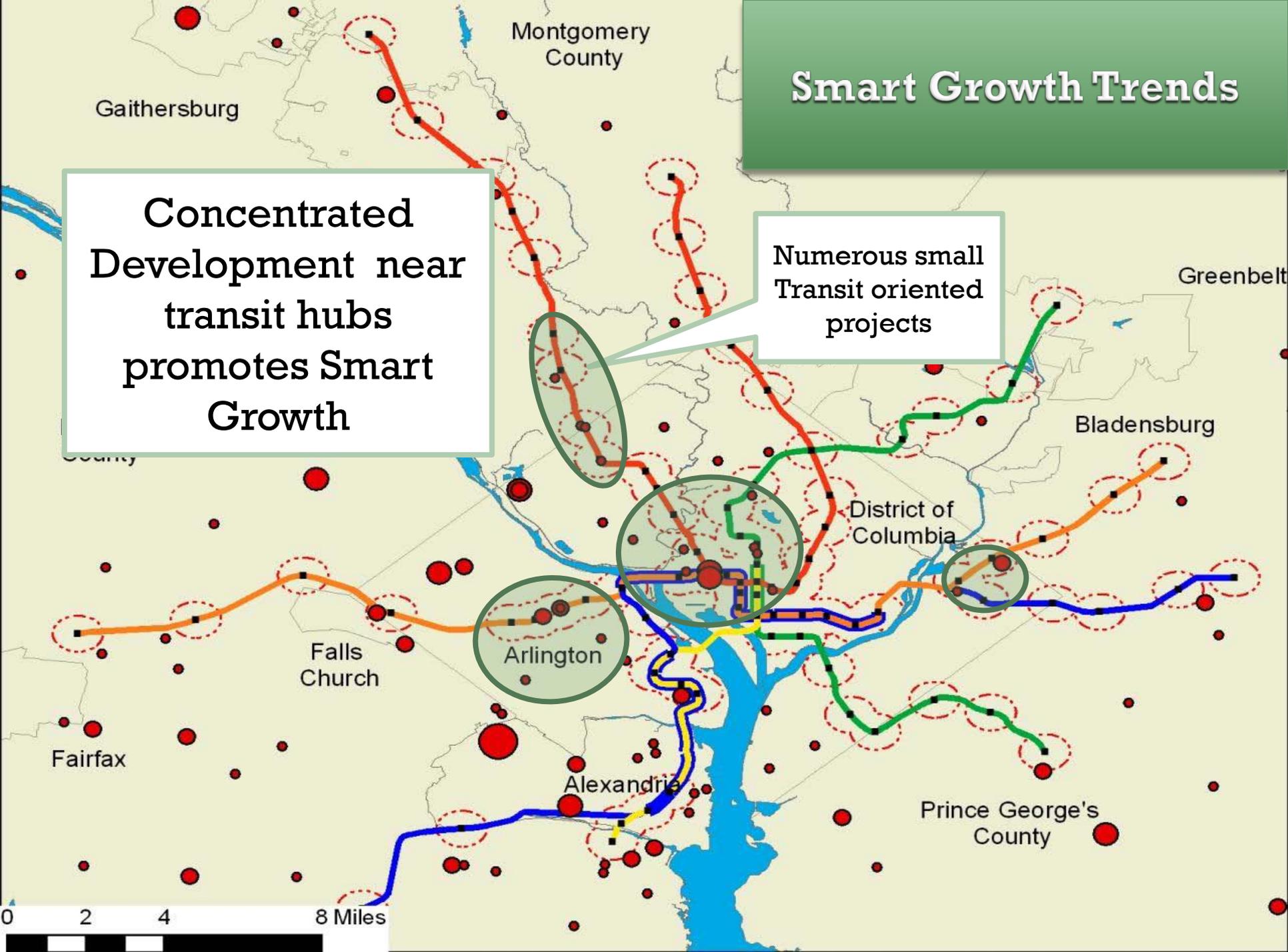
The District of Columbia had 84% less commercial construction than it did in 2008



Smart Growth Trends

Concentrated Development near transit hubs promotes Smart Growth

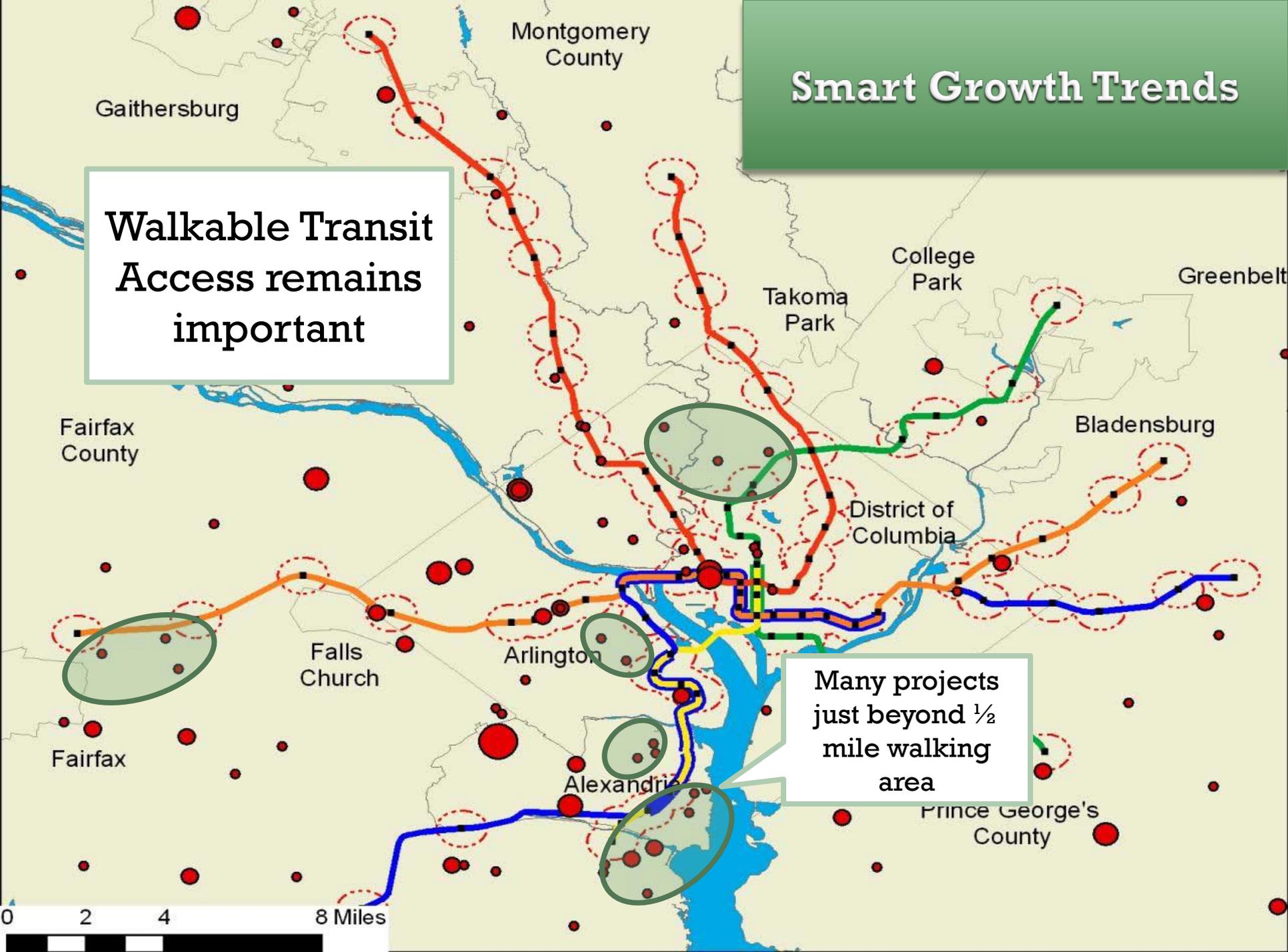
Numerous small Transit oriented projects



Smart Growth Trends

Walkable Transit
Access remains
important

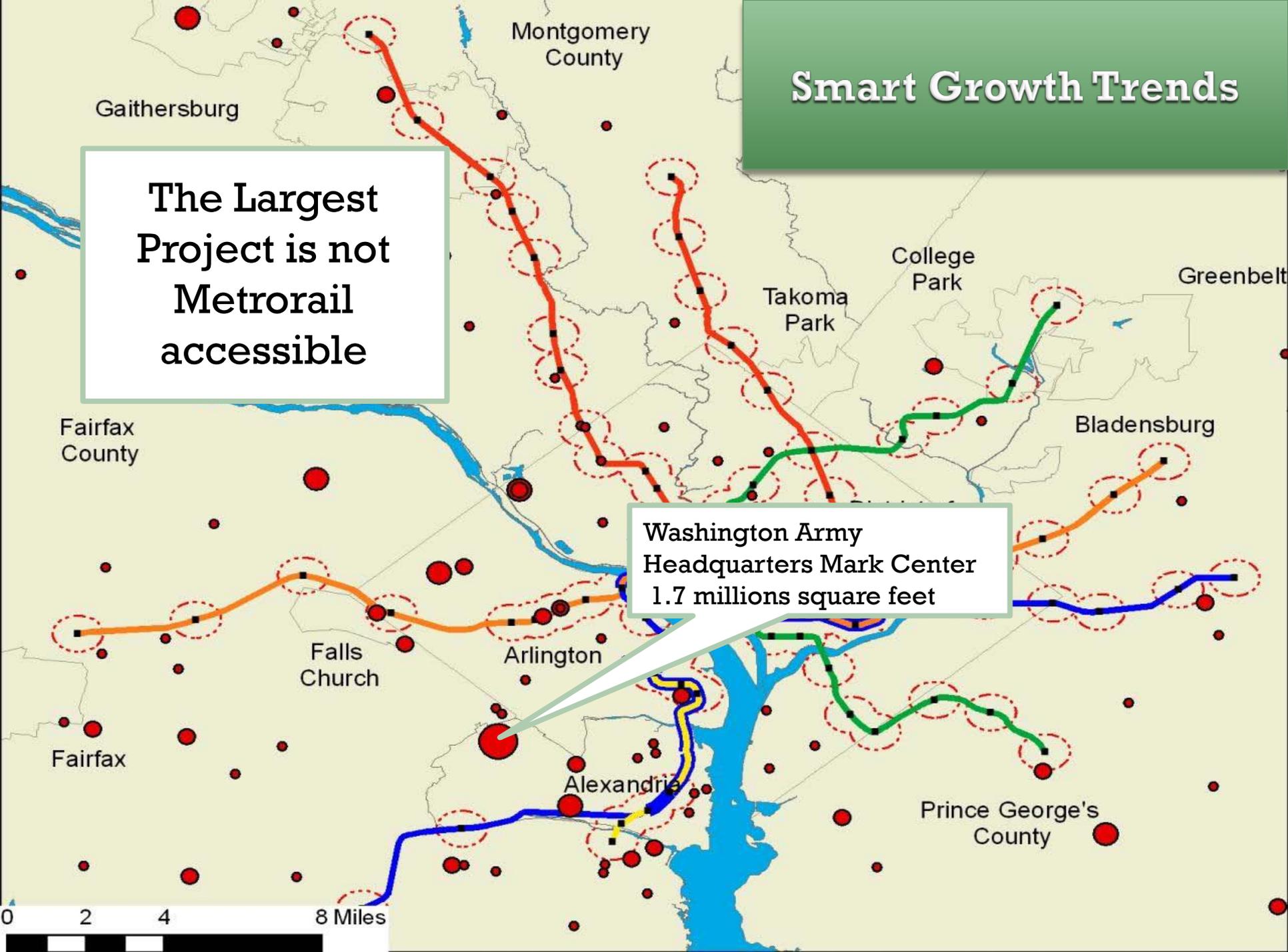
Many projects
just beyond 1/2
mile walking
area



Smart Growth Trends

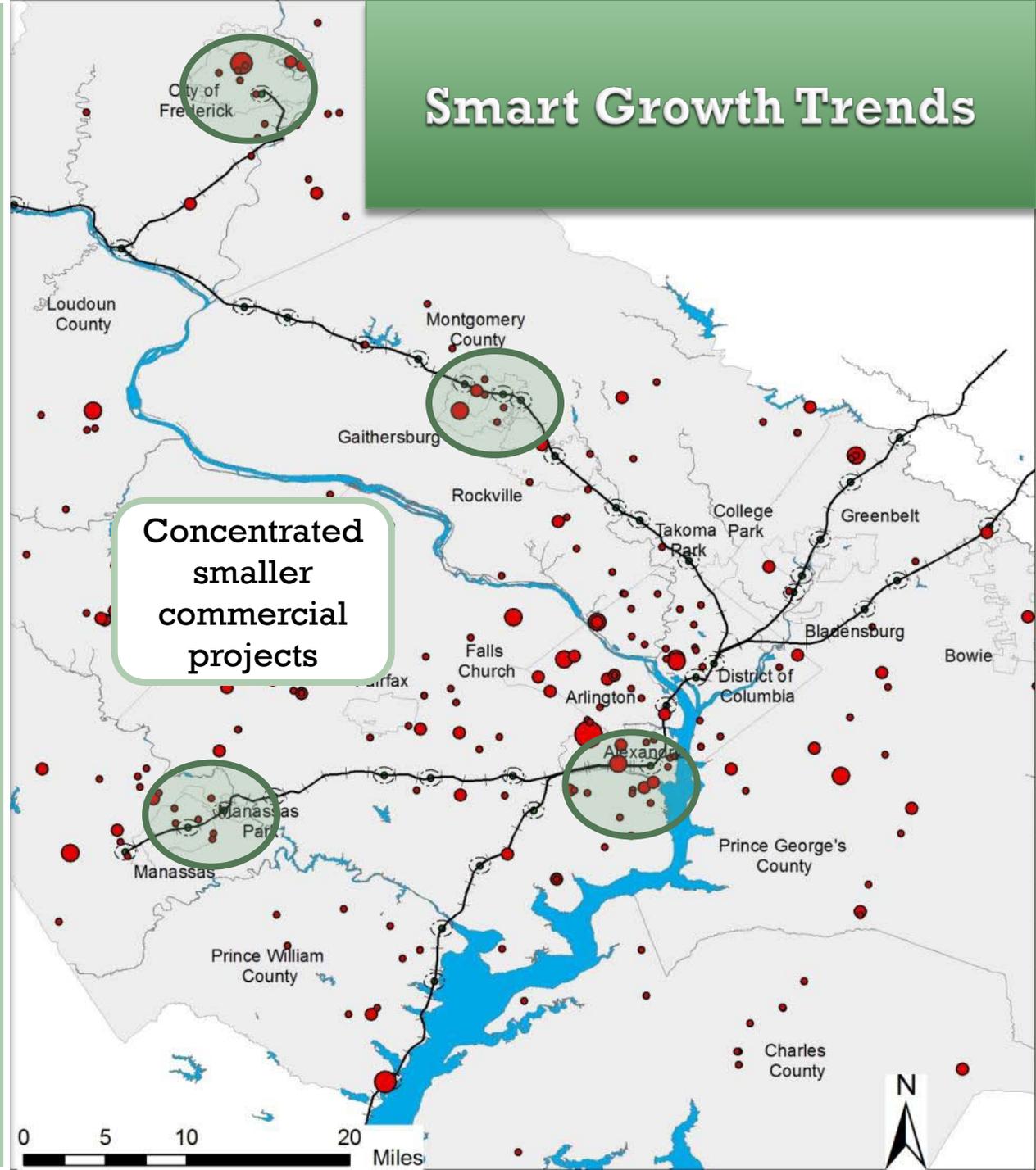
The Largest Project is not Metrorail accessible

Washington Army Headquarters Mark Center
1.7 millions square feet



Smart Growth Trends

Higher density
construction near
Commuter Rail
Stations promotes
Suburban Smart
Growth



Regional Economy

- Between 2005 and 2009 the region grew by more than 218,000 people.
- Regional population in 2009 was approximately 5.4 million.
- The region added more than 17,000 jobs between 2005 and 2009.
- Currently there are 2.9 million jobs in the region.

Regional Economy

- Federal spending increased to \$136 billion in FY 2008,
 - up from \$125 billion in FY 2007.
 - More than 50.9 percent, or \$69.3 billion, came in procurement contract awards.
- 2009 Regional Unemployment Rate: 6.0%.

Regional Economy

- Home Sales in the Washington region dropped dramatically from 113,544 in 2005 to 70,355 2009
- On a per capita basis, the regional average income was \$56,824 in 2008
 - 2008 regional income was up 5.1 % from 2004
 - Local incomes varied by as much as \$35,500

Regional Economy

- **Total Annual Retail Sales:**
 - 2008 - \$76.4 Billion
 - 2007 - \$76.6 Billion
- **More than 61 million passengers flew into or out of the Washington region's three major airports in 2009,**
 - A 4.4% percent decrease from 2005.

Regional Economy

- ◉ Regional Unemployment Rate
- ◉ Interest Rates
- ◉ Federal Procurement and Stimulus Spending
- ◉ Final phase of BRAC